

Subpart D—Operating Expense Instructions

§ 367.80 Supervision and engineering.

(a) The supervision and engineering includible in the operating expense accounts must consist of the pay and expenses of superintendents, engineers, clerks, other employees and consultants engaged in supervising and directing the operation and maintenance of each service company function. Whenever allocations are necessary in order to arrive at the amount to be included in any account, the method and basis of allocation must be reflected by underlying records.

(b) This account must include the following labor items:

(1) Special tests to determine efficiency of equipment operation.

(2) Preparing or reviewing budgets, estimates, and drawings relating to operation or maintenance for departmental approval.

(3) Preparing instructions for operations and maintenance activities.

(4) Reviewing and analyzing operating results.

(5) Establishing organizational setup of departments and executing related changes.

(6) Formulating and reviewing routines of departments and executing related changes.

(7) General training and instruction of employees by supervisors whose pay is chargeable to the training and instruction. Specific instruction and training in a particular type of work is chargeable to the appropriate functional expense account (*See Service Company Property in § 367.51(a)(19)*).

(8) Secretarial work for supervisory personnel, but not general clerical and stenographic work chargeable to other accounts.

(c) This account must include the following expense items:

(1) Consultants' fees and expenses.

(2) Meals, traveling and incidental expenses.

§ 367.81 Maintenance.

(a) The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work.

A list of work operations applicable generally to service company property is included in paragraph (d) of this section. Other work operations applicable to specific classes of property are listed in functional maintenance expense accounts.

(b) Materials recovered in connection with the maintenance of property must be credited to the same account to which the maintenance cost was charged.

(c) Maintenance of property leased from others must be treated as provided in operating expense instruction in § 367.82.

(d) This account must include the following items:

(1) Direct field supervision of maintenance.

(2) Inspecting, testing, and reporting on condition of property specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.

(3) Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of property.

(4) Rearranging and changing the location of property.

(5) Repairing for reuse materials recovered from property.

(6) Testing for locating and clearing trouble.

(7) Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.

(8) Replacing or adding minor items of plant which do not constitute a retirement unit. (*See Service Company Property Instruction in § 367.59.*)

§ 367.82 Rents.

(a) The rent expense accounts provided under the several functional groups of expense accounts must include all rents, including taxes paid by the lessee on leased property, for property used in the operations of the service company, except:

(1) Minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in property accounts 391 to 398 (§§ 367.3910 to 367.3980), inclusive, that must be treated as an expense